GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:5157
ANSWERED ON:26.04.2002
ESSENTIAL COMMODITIES ACT, 1955
SUBODH MOHITE

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Union Government have decided to withdraw all orders issued by different States under the Essential Commodities Act, 1955;

(b) if so, the details thereof;

(c) the reasons for their withdrawal;

(d) whether the State Government were consulted in this regard; and

(e) if so, the views of the State Governments thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD)

(a) to (c): The Central Government have issued an Order under the Essential Commodities Act, 1955 allowing dealers to freely buy, stock, sell, transport, distribute, dispose, etc. any quantity in respect of wheat, paddy/rice, coarse grains, sugar, edible oilseeds and edible oils without requiring any license or permit therefor under any order issued under the Act. The Order took effect after thirty days from the date of its issue (15.2.2002) notwithstanding anything to the contrary in any Order made by a State Government before the commencement of the Order. Facilitating free trade and movement of foodgrains would enable farmers to get best prices for their produce, achieve price stability and ensure availability of foodgrains in deficit areas.

(d) & (e): The need to relax various controls on agricultural products including controls on inter-State movement of such products was discussed in the Conference of Chief Ministers held on 21.5.2001 and thereafter in the Standing Committee of some Union Ministers and Chief Ministers which was set up pursuant to the recommendations made in the Conference of Chief Ministers. The Standing Committee has suggested that the Essential Commodities Act, 1955 may continue as an umbrella legislation for the Centre and the States to use when needed, but a progressive dismantling of controls and restrictions was also required.